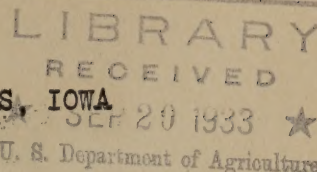


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D. 14 May
Des Moines

PROPOSED MARKETING AGREEMENT FOR MILK -- DES MOINES, IOWA



This tentative marketing agreement to be submitted with application for public hearing before the Secretary of Agriculture at Washington, D. C., has been proposed and drafted by the Midwest Non-Stock Co-operative Dairies, a Central Agency, representing through its member Co-operative Associations, 10,000 milk producers; the Des Moines Co-operative Dairy Marketing Association, representing 1000 producer members, being a member of the said Midwest Dairies, and as such ratifying and affirming said agreement; and the Des Moines Milk Dealers whose names appear below: said Dealers and said Producer Associations representing over 80% of the milk sold as both pasteurized and raw milk in the Des Moines Sales Area.

MARKETING AGREEMENT

I

As used in this Agreement, the following words and phrases shall be defined as follows:

- A. "Contracting Producers" means the Midwest Non-Stock Co-operative Dairies, a non-profit corporation organized and existing under the laws of the State of Nebraska, and the Des Moines Co-operative Dairy Marketing Association, a non-profit corporation organized and existing under the laws of the State of Iowa, and a member of the Midwest Non-Stock Co-operative Dairies, and such other producers and associations of producers of "fluid milk" sold or consumed in the Des Moines Sales Area, as herein-after defined, as may become parties signatory to this agreement according to the terms thereof.
- B. "Natural Milk Dealers Association" is a non-profit corporation organized and existing under the laws of the State of Iowa, consisting of contracting raw milk to dealers who buy their supply of fluid milk from producers not members of the Des Moines Co-operative Dairy Marketing Association, and those contracting producer-milk dealers who produce, bottle and distribute raw milk.
- C. "Contracting Milk Dealers" means such distributors and/or processors of "fluid milk" in the Des Moines Sales Area as may become parties signatory to this agreement.
- D. "Fluid Milk" means "milk" and "fluid cream", and such fluid derivatives thereof as are sold by "contracting milk dealers" in the Des Moines Sales Area.

- E. "Des Moines Sales Area" means the Cities of Des Moines, Valley Junction, Urbandale, Fort Des Moines, Iowa, and other contiguous towns, villages, townships and United States Government Reservations; all in the State of Iowa, and Pullman dining cars in interstate transportation which are serviced in Des Moines.
- F. "Des Moines Production Area" is defined to mean the following area in which contracting producers reside and are engaged in the production of milk for sale in the Des Moines Sales Area, to wit: That territory included within a radius of 25 miles from the City Hall of the City of Des Moines, Polk County, Iowa, excepting that those farms outside the "Production Area" now producing milk for sale in the Des Moines Sales Area shall not be excluded therefrom by this provision until further notice.
- G. "Secretary" means the Secretary or acting Secretary of Agriculture of the United States.
- H. "Act" means the Agricultural Adjustment Act approved May 12, 1933, as amended.

II

THE PARTIES to this Agreement are the "contracting producers", "contracting milk dealers", and the "Secretary".

WHEREAS, pursuant to the "Act", the parties hereto, for the purpose of correcting the conditions now obtaining in the marketing of "fluid milk" in the Des Moines Area, desire to enter into a marketing agreement under the provisions of Section 8 (2) of the "Act"; and

WHEREAS, The Des Moines Co-operative Dairy Marketing Association marketing through the Midwest Non-Stock Co-operative Dairies, markets more than 75% of the pasteurized "fluid milk" distributed and consumed in the Des Moines Sales Area and each represents that it has corporate power and authority to enter into this agreement; and

WHEREAS, the "Contracting Milk Dealers" distribute more than 80% of the "fluid milk" distributed in the Des Moines Sales Area, which said "fluid milk" comprises substantially all of the "fluid milk" marketed by the Des Moines Co-operative Dairy Marketing Association, member of and marketing through the Midwest Non-Stock Co-operative Dairies; and

WHEREAS, the marketing of "fluid milk" produced in the Des Moines Sales Area and distribution thereof affect and enter into both the current of interstate commerce and the current of intrastate commerce, which are inextricably intermingled,

III

NOW THEREFORE in consideration of the promises the parties hereto agree as follows:

1. The schedule governing the prices at which, and the terms and conditions under which, "fluid milk" shall be sold by the Contracting Producers and purchased by the Contracting Milk Dealers for distribution as "fluid milk" shall be that set forth in Exhibit "A", which is attached hereto and made a part hereof. Such schedule, both as to price and marketing plan, may be changed by agreement between the Contracting Producers and Contracting Milk Dealers, provided that such price change shall become effective only upon the written approval of the Secretary.

Payments to Natural Milk Dealers Association, made pursuant to paragraph 3 hereof, and like payments to Des Moines Co-operative Dairy Marketing Association made pursuant to membership agreements, shall, respectively, be deemed part of the price paid to producers.

2. The schedule governing the wholesale and retail prices at which "fluid milk" shall be distributed and sold by the "contracting milk dealers" in the Des Moines Sales Area shall be those defined and set forth in Exhibit "B" which is attached hereto and made a part hereof. The prices set forth in Exhibit "B" may be changed by agreement between the "Contracting Producers" and the "Contracting Milk Dealers" provided, however, that such price changes shall become effective only upon the written approval of the "Secretary".

3. The contracting milk dealers agree that they will not purchase milk from any producer not a member of the Des Moines Cooperative Dairy Marketing Association unless such producer authorizes the purchasing contracting milk dealers to pay over to the Natural Milk Dealers Association the same amount per 100 pounds of milk purchased which the members of the Des Moines Co-operative Dairy Marketing Association are then authorizing the contracting milk dealers to pay over to the Des Moines Co-operative Dairy Marketing Association on behalf of its members; and said purchasing contracting milk dealers shall simultaneously with making payment to the producer for milk purchased, make payment as aforesaid to said Natural Milk Dealers Association. The sums so paid shall be kept as a separate fund by said Natural Milk Dealers Association for the purpose of securing to said producers not members of the Des Moines Co-operative Dairy Marketing Association, advertising, educational, credit loss, and other benefits similar to those which are secured by the members of the Des Moines Co-operative Dairy Marketing Association by virtue of their like payments to said Des Moines Co-operative Dairy Marketing Association. The contracting producers and contracting milk dealers undertake that Natural Milk Dealers Association shall disburse such funds for the purpose hereinabove provided, and that said Natural Milk Dealers Association shall keep separate books and records in form satisfactory to the Secretary pertaining to such funds, which said books and records of Natural Milk Dealers Association shall be subject to the examination of the Secretary or his duly designated agent during the usual hours of business, and that the Natural Milk Dealers Association shall from

time to time furnish to the Secretary such information as the Secretary may require.

4. All producers of "fluid milk" now selling their product in the Des Moines Sales Area and the marketing of whose milk is not prohibited by the health laws and ordinances applicable to the marketing of milk in said area, shall as heretofore, be permitted, as far as marketing conditions may allow, to become members of the Des Moines Co-operative Dairy Marketing Association on an equal basis with existing members similarly circumstanced, upon complying with the same conditions as were applicable to the existing members.

5. The contracting producers and the contracting milk dealers shall severally maintain systems of accounting which shall accurately reflect the true accounts and condition of their respective businesses. Their respective books and records shall, during usual hours of business, be subject to the examination of the Secretary (or his duly authorized representative) to assist him in the furtherance of his duties with respect to this agreement, including verification by the Secretary of the information furnished on the forms hereinafter referred to. The contracting producers and the contracting milk dealers shall severally, from time to time, furnish information to the Secretary on and in accordance with forms to be supplied by him. All information obtained by or furnished to the Secretary, pursuant to this paragraph shall remain the confidential information of the Secretary, and shall not be disclosed by him except upon lawful demand made by the President, by either House of Congress, or any committee thereof, or by any court. The Secretary, however, may combine the information obtained from producers and/or milk dealers in the form of general statistical studies or data. The Secretary hereby agrees to issue regulations and prescribe penalties to be imposed in the event of any violation of the confidences or trust imposed hereby.

6. The standards governing the production, receiving, transportation, processing, bottling and distribution of "fluid milk" sold or distributed in the Des Moines Sales Area shall be those established from time to time by the Health Ordinances of the City of Des Moines.

7. The Code of Fair Trade Practices set forth in Exhibit "C" attached hereto and made a part hereof, shall be the Code of Fair Trade Practices for the Des Moines Sales Area, and no milk dealer shall violate any of the rules set forth therein.

8. This agreement shall be effective at such time as the Secretary may declare above his signature attached hereto; and this agreement shall continue in force until the last day of the month following the aforesaid effective date and thereafter from month to month, except that

- (a) The Secretary may (and upon request of 75 percent of the contracting producers or upon request of 75 percent of the contracting milk dealers, such percentages to be measured by the volume of milk marketed or fluid milk distributed, respectively, the Secretary shall) by press release or other notice, as the

Secretary may determine, given on or before the 20th day of any month, terminate this agreement as of the end of such month.

- (b) The Secretary may for good cause shown as of the end of any month terminate this agreement as to any party signatory hereto by notice in writing deposited on or before the 20th of such month in the registered mails and addressed to such party at the address of such party on file with the Secretary.
- (c) This agreement shall in any event terminate whenever the President or Congress shall terminate the provisions of the Act which authorizes this agreement.

9. The benefits, privileges, and immunities conferred by virtue of this agreement shall cease upon its termination, except with respect to acts done prior thereto; and the benefits, privileges, and immunities conferred by virtue of this agreement upon any party signatory hereto shall cease upon its termination as to such party, except with respect to acts done prior thereto.

10. The contracting producers and contracting milk dealers shall use their best efforts to assure the observance of the terms and conditions of this agreement by such producers and milk dealers. Subject to such regulations as the Secretary may prescribe, the contracting producers and the contracting milk dealers shall establish such agency or agencies as are necessary to (a) receive complaints as to violations by any contracting producers or contracting milk dealer of the terms or conditions of this agreement, (b) adjust disputes arising under this agreement between contracting producers and/or contracting milk dealers, (c) make findings of fact which may be published, (d) issue warnings to such persons, and (e) take such lawful measures as may be appropriate; and such agency or agencies if it or they deem it necessary, shall report its findings and action with respect thereto to the Secretary for appropriate proceedings under the act.

11. This agreement may be executed in multiple counterparts which, when signed by the Secretary, shall constitute, taken together, one and the same instrument as if all such signatures were contained in one original.

12. After this agreement first takes effect any producer or association of producers of milk for consumption as fluid milk, or any distributor of fluid milk, may become a party to this agreement if a counterpart thereof is executed by him and by the Secretary. The agreement shall take effect as to such producer or milk dealer at such time as the Secretary may declare above his signature attached to such counterpart, and the benefits, privileges, and immunities conferred by this agreement shall then be effective as to such producer or milk dealer.

13. The contracting milk dealers hereby apply for and consent to licensing by the Secretary, subject to Milk Regulations, Agricultural Adjustment Administration, Series 1, prescribed by the Secretary and approved by the President, according to the form of license and according to Milk Regulations, Agricultural Adjustment Administration, Series 1 (hereto attached, as appendix I and appendix II, respectively) and not otherwise.

IV

IN WITNESS WHEREOF, the contracting producers and the contracting milk dealers acting under the provisions of the Agricultural Adjustment Act, for the purposes and within the limitations herein contained, and not otherwise, have hereunto set their respective hands and seals.

MIDWEST NON-STOCK CO-OPERATIVE DAIRIES

OTTO PEEIFFER
President.

Attest:

A. G. Davis,
Treasurer

Address: Omaha, Nebraska.

DES MOINES CO-OPERATIVE DAIRY MKT. ASS'N.

J. H. MASON,
Manager

Address: 1935 Des Moines Street,
Des Moines, Iowa.

ANDERSON-ERICKSON DAIRY

HERBERT ERICKSON

Address: 2630 Dean Avenue
Des Moines, Iowa.

THE FLYNN DAIRY COMPANY

PAUL BEER
President.

Address: Seventh & University,
Des Moines, Iowa.

NEWENS NORTHLAND DAIRY COMPANY

F. W. HANSON
Superintendent.

Address: East Sixth & Des Moines Sts.,
Des Moines, Iowa.

OTHER DISTRIBUTORS

<u>NAME</u>	<u>ADDRESS</u>
Maplenol Dairy C. T. Good	Valley Junction, Iowa
Witmer Dairy	Des Moines, R. R. #1
Meredith Jersey Farm C.W. Howe, Mgr.	R.D. #1, Des Moines, Iowa
Harry Barkalow	1020 65 St., Des Moines, Iowa
Chas. R. Mountain	Des Moines, Iowa
B. L. Brown	Des Moines, Iowa. R. #4.
R. R. Griffiths	Des Moines, Iowa, R.R. #3
Morrison Dairy H. Morrison	Johnston, Iowa
Waveland Dairy H. C. Burnsted	Des Moines, Iowa
Morningator Dairy D.C. Morningator	Des Moines, Iowa
Silver Burch Dairy	Des Moines, Iowa
Olive Dairy	R. #1, Des Moines, Iowa
Southwick Dairy, Inc.	R. H. Brooks, Mg.
C. E. Anderson	Des Moines, Iowa, R.R. #4
Pleasant Ridge Dairy, Wm. M. Smith	Des Moines, Iowa,
Henolds Dairy W. H. Henold	Altoona, Iowa
J. E. Roberti	Valley Junction, Iowa
Geo. S. Lewis	Toony Dale Farm
Fords Blue Ribbon Milk Mark Ford	R.R. #3, Des Moines, Iowa

OTHER DISTRIBUTORS

<u>NAME</u>	<u>ADDRESS</u>
S. P. Camp "LawnHill Dairy"	Aukeny, Iowa
Yarns Dairy C.J. Yarn	Des Moines, Iowa
W. P. Stubbs	R. 1 Beceves Ave., Des Moines, Iowa
Otis S. Tallan	Waukeee, Iowa R.F.D.
Van Voorhis Dairy Co. By H.L.	Valley Junction, Iowa
John Gentry	Valley Junction, Iowa
Laddvale Dairy Jno P. Valenns	R.R. #1, Des Moines, Iowa
W. B. Jeffrey	Meredith Drive, Des Moines, Iowa
Geo. W. Bennett	Des Moines, R. R. #2
Robert S. Parker	Altoona, Iowa
Couch Bros. Dairy	E. 14th and Hoffman Rd., Des Moines
Three Pine Dairy E. G. Roffensperger Clive	

EXHIBIT "A"

For the purpose of this agreement, "contracting milk dealers" shall be divided into four classes with regard to their method of purchasing "fluid milk". Said classes shall be as follows:

- a. Those "contracting milk dealers" who buy their total supply of "fluid milk" from the Des Moines Co-operative Dairy Marketing Association, or from other producers by permission of the Des Moines Co-operative Dairy Marketing Association.
- b. Those "contracting milk dealers" who buy their supply of "fluid milk" from producers not members of the Des Moines Co-operative Dairy Marketing Association.

- c. Those "contracting raw milk dealers" who buy their supply of "fluid milk" from producers not members of the Des Moines Co-operative Dairy Marketing Association.
- d. Those "contracting producer-milk dealers" who produce, bottle and distribute raw (unpasteurized) milk and cream.

PRICES

1. The price paid by the "contracting milk dealers" in class (a) hereinabove mentioned, shall be \$1.95 per hundred for milk testing 3.5% butterfat with a differential of three cents (3¢) per hundred for each 1/10 of 1% butterfat content below or above said 3.5% butterfat. Said price to be F. O. B. plant of "contracting milk dealers."

2. The price paid by "contracting milk dealers" in paragraph (b) above shall be \$1.95 per hundred for that portion used as "fluid milk" and containing 3.5% butterfat with a differential of three cents (3¢) per hundred for each 1/10 of 1% butterfat content below or above 3.5% butterfat. Said price to be F.O.B. plant of "contracting milk dealers." Provided, however, for milk delivered by the producers over and above the "fluid milk" requirements, caused by seasonable fluctuation, the "contracting milk dealers" may make deductions for processing and manufacturing such portion of the milk; but in no event shall the price paid to producers for this class of milk received by said "contracting milk dealers", be less for any calendar month than the price paid by Des Moines Co-operative Dairy Marketing Association to its producers for the same class of milk for the same month.

3. The price paid by the "Contracting milk dealers" in class (c) above shall be \$1.95 per hundred for milk containing 3.5% butterfat with a differential of three cents (3¢) per hundred for each 1/10 of 1% butterfat below or above 3.5%. Said price to be F. O. B. "contracting milk dealers" plant.

4. The price to be paid "contracting milk dealers" in class (d) above, is not set forth for obvious reasons. However, they are to receive all of the benefits, privileges and immunities conferred and prices set forth herein and be subject to all the penalties herein provided.

PRICE OF FLUID CREAM

The price paid by the "contracting milk dealers" for "fluid cream" shall be NEW YORK EXTRA butter price (92 score) plus 20%, plus 2¢.

EXHIBIT "B"

WHOLESALE & RETAIL PRICE SCHEDULE

PASTEURIZED OR NATURAL RAW MILK

(average test 3.2% to 3.9% B.F.)

per gallon (in full 5 or 10 gallon

cans)

" " (split cans)

" quart

" pint

" half-pint

WHOLESALE

RETAIL

.32

.34

.08 1/2

.06

.03 1/2

.10

.07

.04

PASTEURIZED OR NATURAL RAW MILK

(average test 4.0% to 4.5% B.F.)

Per quart

" pint

" half-pint

.09 1/2

.06

.03 1/2

.11

.07

.04

PASTEURIZED OR NATURAL RAW MILK

(average test 4.6% B.F. and over)

Per quart

" pint

" half-pint

.10 1/2

.07

.04

.12

.08

.04 1/2

GUERNSEY OR JERSEY MILK

SPECIAL OR PREMIUM MILK AND BUTTERMILK

Per quart

" pint

.10 1/2 .16 1/2 .12 - .18

.07 .09 .08 .10

BUTTERMILK

Per gallon (in full 3 gal. cans)

" " (in split cans)

" Quart

" Pint

.24

.26

.08 1/2

.06

.10

.07

CHOCOLATE OR COCOA DRINK

Per quart

" pint

" half-pint

.09 1/2

.06

.04

.11

.07

.05

PASTEURIZED OR NATURAL RAW CREAM

(18% to 22% B. F.)

Per gallon

" quart

" pint

" half-pint

" quarter-pint

1.35

.40

.22

.11 1/2

.07

.50

.26

.13

.08

SCHEDULE "B" (continued)

PASTEURIZED OR NATURAL RAW CREAM
(23% to 26% B. F.)

	<u>WHOLESALE</u>	<u>RETAIL</u>
Per quart	.47	.55
" pint	.26	.28
" half-pint	.13 1/2	.15
" quarter-pint	.08	.09

PASTEURIZED OR NATURAL RAW CREAM
(36% B. F.)

Per quart	.60	.70
" pint	.32	.38
" half-pint	.18	.22
" quarter-pint	.10	.12

PASTEURIZED OR NATURAL RAW CREAM
(40% B. F.)

Per quart	.65
" pint	.38
" half-pint	.22

POLK COUNTY EMERGENCY RELIEF CHARITY MILK

Per quart	.08 1/2
" pint	.06

COTTAGE CHEESE

Per 12 oz. Carton, Jar or Tumbler	.12	.14
" 1b. - 2 1b. Cartons	.12	.14
" 1b. - 10# to 49#	.10	
" 1b. - 50# or over	.08	

EXHIBIT "C"

CODE OF ETHICS

PREAMBLE

To the end that more intimate, cordial and friendly relations among milk dealers and milk producers, and the confidence of milk consumers, may at all times be maintained; that every legitimate effort to raise the standing of the milk business in the eyes of milk consumers may be aided; that sound ethical principles in the conduct of business may be followed; that every transaction may be put on the very highest plane of business honor, and that service to the public be made most efficient --- we subscribe to the following very definite and concise rules of conduct.

.....

THE FOLLOWING TRADE PRACTICES ARE TO BE KNOWN
AND DECLARED UNFAIR, AND AS SUCH ARE HEREBY PROHIBITED

PART I

BETWEEN MILK DEALERS

- (a) Bribing or subsidizing employees of others.
- (b) Inducing employees to leave the services of a competitor to the latter's temporary or permanent embarrassment or with the intent or effect of securing the trade of such competitor.
- (c) Selling or offering to sell at below cost or at less than a fair profit to force a competitor out of the field.
- (d) Making up or disseminating false cost statements.
- (e) Making false or disparaging statements either written or oral or circulating harmful rumors respecting the competitors' products, selling price, business, financial or personal standing.
- (f) Simulating a distinctive feature of a competitor for an ulterior purpose.
- (g) False or misleading or injurious advertising or spreading false statements by advertising printed, written or oral.
- (h) Giving without charge goods or any other thing of value to present or prospective customers, either as a sample or as an inducement to purchase.
- (i) Selling milk products containing a higher percentage of butterfat than is specified for such products in Exhibit "B", either temporarily as a "bait" or permanently as an "inducement."
- (j) Substitution of milk products containing a higher percentage of butterfat for milk products of a lower percentage of butterfat unless a higher price is charged as specified in Exhibit "B".
- (k) Selling milk or cream with a butterfat content not enumerated in Exhibit "B".
- (l) The giving of more merchandise than the customer is charged for as a sales inducement, such as giving thirteen (13) quarts for a dozen, etc.
- (m) The giving of gratuities of merchandise or any other thing of value to any individual who is, or claims to be, in a position, confidential or otherwise to influence others to give their patronage to the dealer.

Exhibit "C" (continued)

- (n) The granting of discounts, rebates or special inducements of any kind.
- (o) The furnishing of equipment, signs, material, labor, or anything of value, either as a gift or a loan as an inducement to obtain new business. Signs now in use on customer's premises shall not be reconditioned, and in any event shall be removed on or before July 1st, 1935, or immediately upon vacation by the present occupant. This action does not prohibit the use of counter or window stock placards advertising milk and/or (milk) products.
- (p) The giving of merchandise or any other thing of value to any organization, religious, social or philanthropic, in order to obtain or hold business, (any contributions to religious or charitable organizations, or published contributions to religious or special organizations of which the milk dealer or it's officers are members shall not constitute a violation of this paragraph)
- (q) Giving commissions, bonuses or rebates to any organization for the patronage of it's members, friends or supporters.
- (r) Purchasing of any tickets or chances of any nature in order to obtain or hold business.
- (s) Conducting exhibits or displays at fairs or places of amusements or the placing of floats in parades, except when co-operatively conducted by the milk dealers and/or milk producers.
- (t) For a milk dealer or any of it's employees to give any store retailing milk, cream or it's derivatives, special inducements not enjoyed by said milk dealers general trade.
- (u) To contract for or to use any container, bottle, or device, or to sell any beverage including milk, which is controlled by a patent or copyright, and which is not offered to milk dealers generally, unless the same is owned or controlled exclusively by the dealer. Existing contracts excepted.
- (v) To use any bottle, can, case, device or container, the title to which is vested in another person, firm or corporation.
- (w) Selling large or special retail customers at less than the established retail price.
- (x) To take on any new product or to adopt new items such as special caps, vending machines, etc., without discussing this new product and/or device with the other dealers.
- (y) The use of special bottles and packages other than those already in use in the Des Moines Area.

Exhibit "C" (continued)

PART II

UNFAIR ADVERTISING METHODS, ETC.

- (A) Advertising in year books, rosters, cook books, buyer's guides, hand bills, (except where hand bills are used exclusively for dairy products of advertiser) menu cards, or in any medium unless published, sold or distributed at regular stated intervals.
- (B) The buying of "leads" from any real estate firm, gas or telephone company or any similar agency.
- (C) Affiliation with organizations whose purpose it is to advertise various products co-operatively, and which are supported by various companies so advertised as exemplified by manufacturers' dinners, etc.
- (D) The employment of persons or agencies other than the dealers regular drivers, relief men or other regular employees, in the solicitation of retail business.

PART III

- (a) Untrue statements regarding the matter of pasteurization and butterfat content of milk or cream.
 - (1) Such as claiming pasteurization for milk that has not been heated to at least 142 degrees Fahrenheit and held at that temperature for at least thirty (30) minutes.
 - (2) Such as claiming the butterfat content in excess of actual test.
 - (3) Such as claiming that milk or milk products were produced solely from a named breed of cattle unless said milk or milk products were produced from herds consisting solely of pure bred cattle of the named breed, or of grade cattle showing the general breed characteristics of said named breeds.
- (b) Claims as to source of supply that cannot be substantiated.
- (c) Claims of certain virtues or benefits as to its use that cannot be substantiated.
- (d) Distribution of a better grade than the product supposed to be represented.
- (e) Giving or offering premiums or merchandise or money, the premiums to be determined by lottery.

Exhibit "C" (continued)

PART IV

PERSONNEL

- (A) Selling milk and cream to any "peddler" to whom the milk dealer is not selling at the effective date of this agreement.
- (B) Selling milk and/or dairy products to any "peddler" who, on the effective date of this agreement, is buying milk and/or other dairy products from some other milk dealer.
- (C) Allowing any milk delivery salesman to distribute milk in any district in which he has distributed milk for another milk dealer, for a period of one (1) year after he has distributed milk in said district for the previous milk dealer employer.
- (D) The use of contests between milk delivery or other salesmen wherein special prizes or bonuses are offered for obtaining new business.
- (E) Failure to discontinue service to any store which is reselling milk or other dairy products at a price lower than the dealers wagon retail price in "Exhibit B".
- (F) Failure to discharge an employee who has on his own account, and without the consent of the company, given discounts, rebates or special prices as enumerated in Part I of this Code.
- (G) To make regular daily special deliveries to a retail customer.

PART V

CREDIT

Since the granting and extending of credit when abused adds to the cost of distribution, and may thus effect either the price to the producer, or the price to the consumer, or both, the following rules shall be effective during the life of this agreement.

- (a) No retail customer or family at a given address shall be granted more than ninety (90) days credit, at the expiration of which time said customer or family at a given address shall be sold for cash only.
- (b) No wholesale customer shall be granted more than forty (40) days credit at the expiration of which time he shall be sold for cash only; provided, however, that wholesale customers owing balances of longer duration at the effective date of this agreement, may

Exhibit "C" (continued)

be continued on a credit basis, if collections during any succeeding calendar month from said wholesale customers, paid on or before the tenth day of the month next following, shall be equal to or exceed the purchases during said calendar month.

- (c) No milk dealer shall knowingly extend credit to any retail or wholesale customer who is indebted to another milk dealer for any disputed or past due account for merchandise, and it shall be the duty of all milk dealers to make reasonable efforts to determine if any customer is indebted to any other milk dealer before credit is extended to that customer.
- (d) No milk dealer shall make a loan of any nature to a retail or wholesale customer either to obtain or hold business on or after the effective date of this agreement.
- (e) No milk dealer shall finance or purchase any equipment, nor endorse any note of any wholesale customer either to obtain or hold his business.

PART VI

GENERAL

- (1) It is to be considered a duty and not an unfair practice or objectionable in any sense of the word, for any dealer to make a confidential report of unethical conduct, unsatisfactory conditions, or illegal practices, to the Secretary of Agriculture in writing, and to supply the Secretary with all the evidence that said report may be substantiated.
- (2) It shall be the duty of milk dealers signatory to this agreement to co-operate in every way possible with the Public Health Authorities of the Des Moines Area.

PART VII

WHOLESALE CUSTOMERS

The following shall be classified as wholesale customers:

- (A) Restaurants, cafes, hotels, hospitals, schools, grocery stores, drug stores, meat markets, fraternities, sororities, etc., provided, however, that if a dealer is selling any such customer less than an average of six (6) quarts of milk per business day, over a thirty (30) day period, the same shall be billed and paid for at retail price.

Exhibit "C" (continued)

PART VIII

DELIVERY SERVICE

- (a) Starting with October 1st, 1933, the signators to this marketing agreement hereby agree that all milk and milk products shall be delivered in the Des Moines Area between the hours of 5 A.M. and 5 P.M. daily, except special deliveries to wholesale accounts as classified under Part VII above; provided, however, that no such special deliveries shall be made after 6 P.M. of any day.

ADDENDA

PEDDLERS

A "Peddler" is an independent distributor of milk who owns his own delivery vehicle and trade routes, and who makes his own deliveries, sales and collections, and who has his individual milk caps on the bottles of milk which he distributes, and who purchases and picks up his milk and cream at the plant of the contracting dealers herein defined.

